

# Margaret M. Jacobson

MargaretJacobson.com

## CONTACT INFORMATION

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Division of Monetary Affairs	E-mail: Margaret.M.Jacobson@frb.gov
Federal Reserve Board of Governors	Phone: +1-216-313-0693
20th St. and Constitution Ave. NW	Born: 1989, Phoenix, AZ
Washington, D.C. 20551	Citizenship: USA, Latvia

## EDUCATION

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Ph.D.	Economics, Indiana University, 2020 National Science Foundation Graduate Research Fellowship
M.A.	Economics, Indiana University, 2015
B.A.	Economics and French, Oberlin College, 2011 International Exchange, Sciences Po (Paris, France), 2010 Postbac Mathematics, Cleveland State University, 2011-13

## PROFESSIONAL EXPERIENCE

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Economist	Federal Reserve Board, Monetary Studies, 2020-present
Dissertation Fellow	Federal Reserve Board, Fall 2019
CSWEP Dissertation Fellow	Federal Reserve Bank of Chicago, Summer/Fall 2019 Bureau of Economic Analysis, Summer 2019
Thomas J. Sargent Fellow	Federal Reserve Bank of San Francisco, Summer 2018
Ph.D. Intern	Federal Reserve Bank of Cleveland, Summer 2017
Research Assistant	Indiana University Todd B. Walker, Summer 2015 Eric M. Leeper, 2014-15
Senior Research Analyst	Federal Reserve Bank of Cleveland, 2014
Research Analyst	Federal Reserve Bank of Cleveland, 2011-13
Freelance Research Assistant	Warren Weber, 2013-14

## RESEARCH

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### Research Interests

Macroeconomics, Housing, Monetary and Fiscal Policy

### Publications

“Liquidity Provision during the Crisis of 1914: Private and Public Sources,” with Ellis W. Tallman. *Journal of Financial Stability*, volume 17, April 2015, pages 22-34.

### Conference Volumes

“The Federal Reserve System and World War I: Designing Policies without Precedent,” with Ellis W. Tallman. (2019). In O. Feiertag & M. Margairaz (Eds.), *Les banques centrales pendant la Grande Guerre* (pp. 15-32). Paris, France: Les Press de Sciences Po.

## Working Papers

“Beliefs, Aggregate Risk, and the U.S. Housing Boom” (Job Market Paper)

This paper develops a quantitative framework where unprecedented shifts in credit conditions are a source of optimistic beliefs about future house prices during the U.S. housing boom of the 2000s. In a general equilibrium life-cycle model with incomplete markets and aggregate risk, agents form beliefs about future house prices and learn the actual evolution. Because agents lack historical experience in an aggregate state characterized by high productivity and loose credit conditions, they are more likely to perceive forecast errors as permanent shifts in house prices. Consequently, agents underpredict the extent to which house prices mean revert. These learning dynamics account for 20% of the empirical house price volatility observed throughout the U.S. housing boom improving upon existing frameworks that only match 5%.

“Recovery of 1933,” with Eric M. Leeper and Bruce Preston.

When Roosevelt abandoned the gold standard in April 1933, he converted what had been effectively real government debt into nominal government debt to open the door to unbacked fiscal expansion. We argue that he followed a state-contingent fiscal rule that ran nominal-debt-financed primary deficits until the price level rose and economic activity recovered. Theory suggests that government spending multipliers can be substantially larger when fiscal expansions are unbacked than when they are tax-backed. VAR estimates find that primary deficits made quantitatively important contributions to raising both the price level and real GNP from 1933 through 1937. The evidence does not support the conventional monetary explanation that gold revaluation and gold inflows, which were permitted to raise the monetary base, drove the recovery independently of fiscal actions.

## Works in Progress

“Lending Limits and Heterogeneity in the U.S. Housing Boom”

Can looser lending limits still account for the U.S. housing boom after the introduction of a wealth distribution? Simpler models without a wealth distribution attribute the boom in house prices of the 2000s to the combination of looser lending and borrowing constraints. The ability of looser constraints to generate higher house prices, however, depends on the fraction of the wealth distribution actually constrained. Maintaining the wealth distribution is thus crucial to understand how shifts in credit conditions affect house prices.

## Federal Reserve Publications

“Do Forecasters Agree on a Taylor Rule?” with Charles Carlstrom. *Economic Commentary*, September 2015.

“New Rules for Credit Default Swap Trading: Can We Now Follow the Risk,” with John Carlson. *Economic Commentary*, June 2014.

“The Overhang of Structures Before and Since the Great Recession,” with Filippo Occhino. *Economic Commentary*, April 2014. *Media: Wall Street Journal, Washington Post.*

“Labor’s Declining Share of Income and Rising Inequality,” with Filippo Occhino. *Economic Commentary*, September 2012. *Media: FT Alphaville, Slate, Reuters, CNN, Crain’s Cleveland Business, Bloomberg View.*

More than **30** *Economic Trends* on topics including the economic outlook, monetary policy, inflation, and labor markets.

## **FELLOWSHIPS**

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Indiana University College of Arts and Sciences Dissertation Research Fellowship, 2018-19  
National Science Foundation Graduate Research Fellowship, 2015-18  
Indiana University Department of Economics Fellowship, 2014-15  
Indiana University Department of Economics Distinguished Alumni Fellowship, 2014-15

## **PROFESSIONAL ACTIVITIES**

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### **Conference Presentations**

2019 Society for Economic Dynamics, Midwest Macro Meetings  
2018 Midwest Macro Meetings, Trinity of Stability Webinar Series,  
Federal Reserve Bank of Cleveland Financial and Monetary History Workshop  
2017 XIX Annual Inflation Targeting Seminar of the Banco Central do Brasil  
Jordan River Conference  
2016 Missouri Valley Economic Association, Next Steps for the Fiscal Theory of the Price  
Level at the University of Chicago  
2013 Midwest Economic Association

### **Invited Seminars**

2020 Clemson University, European Central Bank, Federal Reserve Bank of Kansas City,  
Federal Reserve Bank of New York, Federal Reserve Board, HEC Montréal, Santa  
Clara University, Simon Fraser University, University of Illinois Urbana-Champaign,  
University of Oregon  
2019 Federal Reserve Bank of Chicago  
2017 Rutgers University

### **Poster Sessions**

2018 Macro Financial Modeling Summer Session  
2017 Macro Financial Modeling Summer Session, AEA Annual Meeting  
2016 Trinity of Stability at the Deutsche Bundesbank

### **Invited Discussions**

2018 Sovereign Debt: A Guide for Economists and Practitioners at the International  
Monetary Fund

### **Federal Reserve Presentations**

2014 Trend Inflation, Federal Reserve Bank of Cleveland  
2013 Economic Outlook, Women's City Club Investment Group  
2012 Economic Outlook, MBA students from the Ohio State University Fisher College  
of Business, undergraduate students from West Liberty University

### **Invited Panels**

2020 COVID-19 and the Economy, Indiana University Alumni Webcast  
Women in Economics, Federal Reserve Bank of Cleveland  
2019 What's Next? The Path to a PhD, Federal Reserve Bank of Cleveland

### **Interviews**

2017 American Economic Association Annual Meeting Poster Session  
2016 Next Steps for the Fiscal Theory of the Price Level, Becker Friedman Institute

**Referee**

*European Economic Review* (x2), *Review of Economic Dynamics*, *Scandinavian Economic History Review*

**SKILLS**

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**Software**

Extensive knowledge of Fortran, MATLAB, Stata, and L<sup>A</sup>T<sub>E</sub>X

Working knowledge of Python, R, SAS, Tableau, Adobe Photoshop, and OpenMP

Bloomberg certified, Census Bureau Special Sworn Status

**Languages**

English (native), French (fluent), Spanish (beginner)

**Volunteering**

MathCorps Cleveland, 2012-13

Habitat for Humanity of Monroe County, 2020

**REFERENCES**

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Prof. Todd B. Walker  
Department of Economics  
Indiana University  
walkertb@iu.edu

Prof. Eric M. Leeper  
Department of Economics  
University of Virginia  
eml3jf@virginia.edu

Prof. Christian Matthes  
Department of Economics  
Indiana University  
matthesc@iu.edu